

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 197, between lines 15 and 16, begin a new paragraph and
- 2 insert:
- 3 "SECTION 67. IC 36-7-14-35 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 35. (a) In order to:
- 5 (1) undertake survey and planning activities under this chapter;
- 6 (2) undertake and carry out any redevelopment project, ~~or~~ urban
- 7 renewal project, **or housing program;**
- 8 (3) pay principal and interest on any advances;
- 9 (4) pay or retire any bonds and interest on them; or
- 10 (5) refund loans previously made under this section;
- 11 the redevelopment commission may apply for and accept advances,
- 12 short term and long term loans, grants, contributions, and any other
- 13 form of financial assistance from the federal government, or from any
- 14 of its agencies. The commission may also enter into and carry out
- 15 contracts and agreements in connection with that financial assistance
- 16 upon the terms and conditions that the commission considers reasonable
- 17 and appropriate, as long as those terms and conditions are not
- 18 inconsistent with the purposes of this chapter. The provisions of such
- 19 a contract or agreement in regard to the handling, deposit, and
- 20 application of project funds, as well as all other provisions, are valid
- 21 and binding on the unit or its executive departments and officers, as
- 22 well as the commission, notwithstanding any other provision of this
- 23 chapter.
- 24 (b) The redevelopment commission may issue and sell bonds, notes,
- 25 or warrants to the federal government to evidence short term or long
- 26 term loans made under this section, without notice of sale being given
- 27 or a public offering being made.
- 28 (c) Notwithstanding the provisions of this or any other chapter,
- 29 bonds, notes, or warrants issued by the redevelopment commission
- 30 under this section may:

- (1) be in the amounts, form, or denomination;
- (2) be either coupon or registered;
- (3) carry conversion or other privileges;
- (4) have a rank or priority;
- (5) be of such description;
- (6) be secured (subject to other provisions of this section) in such manner;
- (7) bear interest at a rate or rates;
- (8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;
- (9) be subject to terms of redemption (with or without premium);
- (10) contain or be subject to any covenants, conditions, and provisions; and
- (11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment commission under this chapter, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit in the name of the "City (or Town or County) of _____, Department of Redevelopment", and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the redevelopment commission shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if ~~he~~ **the officer** had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under

1 this section the redevelopment commission can obtain loans for the
 2 purposes of this section from sources other than the federal government
 3 at interest rates not less favorable than provided in the loan contract or
 4 agreement, and if the loan contract or agreement so permits, the
 5 commission may do so and may pledge the loan contract and any rights
 6 under that contract as security for the repayment of the loans obtained
 7 from other sources. Any loan under this subsection may be evidenced
 8 by bonds, notes, or warrants issued and secured in the same manner as
 9 provided in this section for loans from the federal government. These
 10 bonds, notes, or warrants may be sold at either public or private sale, as
 11 the commission considers appropriate.

12 (j) Money obtained from the federal government or from other
 13 sources under this section, and money that is required by a contract or
 14 agreement under this section to be used for project expenditure
 15 purposes, repayment of survey and planning advances, or repayment of
 16 temporary or definitive loans, may be expended by the redevelopment
 17 commission without regard to any law pertaining to the making and
 18 approval of budgets, appropriations, and expenditures.

19 (k) Bonds, notes, or warrants issued under this section are declared
 20 to be issued for an essential public and governmental purpose.

21 SECTION 68. IC 36-7-14-45 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2006]: **Sec. 45. (a) The commission may**
 24 **establish a program for housing by resolution. The program, which**
 25 **may include any relevant elements the commission considers**
 26 **appropriate, may be adopted as part of a redevelopment plan or**
 27 **amendment to a redevelopment plan, and must establish an**
 28 **allocation area for purposes of sections 39 and 48 of this chapter**
 29 **for the accomplishment of the program. The program must be**
 30 **approved by the municipal legislative body or county executive as**
 31 **specified in section 17 of this chapter.**

32 (b) The notice and hearing provisions of sections 17 and 17.5 of
 33 this chapter, including notice under section 17(c) of this chapter to
 34 a taxing unit that is wholly or partly located within an allocation
 35 area, apply to the resolution adopted under subsection (a). Judicial
 36 review of the resolution may be made under section 18 of this
 37 chapter.

38 (c) Before formal submission of any housing program to the
 39 commission, the department of redevelopment:

- 40 (1) shall consult with persons interested in or affected by the
 41 proposed program;
- 42 (2) shall provide the affected neighborhood associations,
 43 residents, and township assessors with an adequate
 44 opportunity to participate in an advisory role in planning,
 45 implementing, and evaluating the proposed program; and
- 46 (3) shall hold public meetings in the affected neighborhood to

1 **obtain the views of neighborhood associations and residents.**

2 SECTION 69. IC 36-7-14-46 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2006]: **Sec. 46. (a) Except as provided in**
5 **subsection (b), all the rights, powers, privileges, and immunities**
6 **that may be exercised by the commission in blighted, deteriorated,**
7 **or deteriorating areas may be exercised by the commission in**
8 **implementing its program for housing, including the following:**

9 **(1) The special tax levied in accordance with section 27 of this**
10 **chapter may be used to accomplish the housing program.**

11 **(2) Bonds may be issued under this chapter to accomplish the**
12 **housing program, but only one (1) issue of bonds may be**
13 **issued and payable from increments in any allocation area**
14 **except for refunding bonds or bonds issued in an amount**
15 **necessary to complete a housing program for which bonds**
16 **were previously issued.**

17 **(3) Leases may be entered into under this chapter to**
18 **accomplish the housing program.**

19 **(4) The tax exemptions set forth in section 37 of this chapter**
20 **are applicable.**

21 **(5) Property taxes may be allocated under section 39 of this**
22 **chapter.**

23 **(b) A commission may not exercise the power of eminent domain**
24 **in implementing its program for housing.**

25 SECTION 70. IC 36-7-14-47 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2006]: **Sec. 47. The commission must make**
28 **the following findings in the resolution adopting a housing program**
29 **under section 45 of this chapter:**

30 **(1) Not more than twenty-five (25) acres of the area included**
31 **in the allocation area has been annexed during the preceding**
32 **five (5) years.**

33 **(2) No area within the allocation area has been annexed**
34 **within the preceding five (5) years over a remonstrance of a**
35 **majority of the owners of land within the annexed area.**

36 **(3) The program cannot be accomplished by regulatory**
37 **processes or by the ordinary operation of private enterprise**
38 **because of:**

39 **(A) lack of public improvements;**

40 **(B) existence of improvements or conditions that lower the**
41 **value of the land below that of nearby land; or**

42 **(C) other similar conditions.**

43 **(4) The public health and welfare will be benefited by**
44 **accomplishment of the program.**

45 **(5) The accomplishment of the program will be of public**
46 **utility and benefit as measured by:**

- 1 (A) the provision of adequate housing for low and
- 2 moderate income persons;
- 3 (B) an increase in the property tax base; or
- 4 (C) other similar public benefits.
- 5 (6) At least one-third (1/3) of the parcels in the allocation area
- 6 established by the program are vacant.
- 7 (7) At least seventy-five percent (75%) of the allocation area
- 8 is used for residential purposes or is planned to be used for
- 9 residential purposes.
- 10 (8) At least one-third (1/3) of the residential units in the
- 11 allocation area were constructed before 1941.
- 12 (9) At least one-third (1/3) of the parcels in the allocation area
- 13 have at least one (1) of the following characteristics:
- 14 (A) The dwelling unit on the parcel is not permanently
- 15 occupied.
- 16 (B) The parcel is the subject of a governmental order,
- 17 issued under a statute or an ordinance, requiring the
- 18 correction of a housing code violation or unsafe building
- 19 condition.
- 20 (C) Two (2) or more property tax payments on the parcel
- 21 are delinquent.
- 22 (D) The parcel is owned by local, state, or federal
- 23 government.
- 24 (10) The total area within the county or municipality that is
- 25 included in any allocation area established for a housing
- 26 program under section 45 of this chapter does not exceed one
- 27 hundred fifty (150) acres.
- 28 SECTION 71. IC 36-7-14-48 IS ADDED TO THE INDIANA
- 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 30 [EFFECTIVE JULY 1, 2006]: Sec. 48. (a) Notwithstanding section
- 31 39(a) of this chapter, with respect to the allocation and distribution
- 32 of property taxes for the accomplishment of a program adopted
- 33 under section 45 of this chapter, "base assessed value" means the
- 34 net assessed value of all of the property, other than personal
- 35 property, as finally determined for the assessment date
- 36 immediately preceding the effective date of the allocation
- 37 provision, as adjusted under section 39(h) of this chapter.
- 38 (b) The allocation fund established under section 39(b) of this
- 39 chapter for the allocation area for a program adopted under
- 40 section 45 of this chapter may be used only for purposes related to
- 41 the accomplishment of the program, including the following:
- 42 (1) The construction, rehabilitation, or repair of residential
- 43 units within the allocation area.
- 44 (2) The construction, reconstruction, or repair of any
- 45 infrastructure (including streets, sidewalks, and sewers)
- 46 within or serving the allocation area.

1 **(3) The acquisition of real property and interests in real**
 2 **property within the allocation area.**

3 **(4) The demolition of real property within the allocation area.**

4 **(5) The provision of financial assistance to enable individuals**
 5 **and families to purchase or lease residential units within the**
 6 **allocation area. However, financial assistance may be**
 7 **provided only to those individuals and families whose income**
 8 **is at or below the county's median income for individuals and**
 9 **families, respectively.**

10 **(6) The provision of financial assistance to neighborhood**
 11 **development corporations to permit them to provide financial**
 12 **assistance for the purposes described in subdivision (5).**

13 **(7) Providing each taxpayer in the allocation area a credit for**
 14 **property tax replacement as determined under subsections (c)**
 15 **and (d). However, the commission may provide this credit**
 16 **only if the municipal legislative body (in the case of a**
 17 **redevelopment commission established by a municipality) or**
 18 **the county executive (in the case of a redevelopment**
 19 **commission established by a county) establishes the credit by**
 20 **ordinance adopted in the year before the year in which the**
 21 **credit is provided.**

22 **(c) The maximum credit that may be provided under subsection**
 23 **(b)(7) to a taxpayer in a taxing district that contains all or part of**
 24 **an allocation area established for a program adopted under section**
 25 **45 of this chapter shall be determined as follows:**

26 **STEP ONE: Determine that part of the sum of the amounts**
 27 **described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)**
 28 **through IC 6-1.1-21-2(g)(5) that is attributable to the taxing**
 29 **district.**

30 **STEP TWO: Divide:**

31 **(A) that part of each county's eligible property tax**
 32 **replacement amount (as defined in IC 6-1.1-21-2) for that**
 33 **year as determined under IC 6-1.1-21-4(a)(1) that is**
 34 **attributable to the taxing district; by**

35 **(B) the amount determined under STEP ONE.**

36 **STEP THREE: Multiply:**

37 **(A) the STEP TWO quotient; by**

38 **(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied**
 39 **in the taxing district allocated to the allocation fund,**
 40 **including the amount that would have been allocated but**
 41 **for the credit.**

42 **(d) The commission may determine to grant to taxpayers in an**
 43 **allocation area from its allocation fund a credit under this section,**
 44 **as calculated under subsection (c). Except as provided in**
 45 **subsection (g), one-half (1/2) of the credit shall be applied to each**
 46 **installment of taxes (as defined in IC 6-1.1-21-2) that under**

IC 6-1.1-22-9 are due and payable on May 10 and November 10 of a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess

1 property taxes that the commission has determined may be
2 paid to the respective taxing units in the manner prescribed
3 in section 39(b)(1) of this chapter.

4 (g) This subsection applies to an allocation area only to the
5 extent that the net assessed value of property that is assessed as
6 residential property under the rules of the department of local
7 government finance is not included in the base assessed value. If
8 property tax installments with respect to a homestead (as defined
9 in IC 6-1.1-20.9-1) are due in installments established by the
10 department of local government finance under IC 6-1.1-22-9.5,
11 each taxpayer subject to those installments in an allocation area is
12 entitled to an additional credit under subsection (d) for the taxes
13 (as defined in IC 6-1.1-21-2) due in installments. The credit shall be
14 applied in the same proportion to each installment of taxes (as
15 defined in IC 6-1.1-21-2).".

16 Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

Senator BRODEN